

COUNTY COUNCIL
OF
HARFORD COUNTY, MARYLANDBILL NO. 80-34 (AS AMENDED)Council Member Schafer and Council President Hardwicke at
Introduced by the request of the County ExecutiveLegislative Day No. 80-15 Date May 27, 1980

AN EMERGENCY ACT authorizing and empowering Harford County, Maryland, to issue and sell its industrial development revenue bonds, to be designated "Harford County, Maryland Industrial Development Revenue Bonds (Bel Air Convalescent Center, Inc. - BEL CENTER LIMITED PARTNERSHIP Project)", in a principal amount not to exceed Eight Hundred Thousand Dollars (\$800,000) pursuant to the provisions of Section 266(A) to 266(I), inclusive of Article 41 of the Annotated Code of Maryland (1971 Replacement Volume 1979 Cumulative Supplement), as amended, for the sole and exclusive purpose of financing the acquisition of an industrial building in Harford County, Maryland, as provided in this Ordinance; making certain legislative findings among others, concerning the public benefit and purpose of such industrial development revenue bonds; providing that such industrial development revenue bonds (a) shall be payable solely and only from (i) revenue derived from payments by ~~Bel Air Convalescent Center, Inc.~~ BEL CENTER LIMITED PARTNERSHIP to Harford County, Maryland, on account of such loan, (ii) any and all monies realized from the sale of the collateral as

By the Council, May 27, 1980

Introduced, read first time, ordered posted and public hearing scheduled

on: July 1, 1980at: 7:00 P.M.By Order: Angela Markowski, Secretary

PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on July 1, 1980 and concluded on July 1, 1980.

Angela Markowski, Secretary

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [Brackets] indicate matter deleted from existing law. Underlining indicates language added to Bill by amendment. Language lined through indicates matter stricken out of Bill by amendment.

AS AMENDED

COUNTY COUNCIL
OF
HARFORD COUNTY, MARYLAND

BILL NO. _____

Introduced by _____

Legislative Day No. _____ Date _____

described herein and (iii) any and all monies received under the guaranty agreements hereinafter mentioned, and (b) shall not constitute, within the meaning of any constitutional or Charter provision or otherwise, (i) indebtedness of Harford County, Maryland or of any other political subdivision, (ii) a charge against the general credit or taxing powers of Harford County, Maryland; or (iii) a capital project under the Charter or local laws of Harford County, Maryland, or laws of the State of Maryland; authorizing the private (negotiated) sale of such industrial development revenue bonds; prescribing certain details pertaining to such industrial development revenue bonds, including (without limitation) (a) the amount, date and maturity of such industrial development revenue bonds, (b) the interest rate to be paid on such industrial development revenue bonds, (c) the prepayment provisions, if any, relating to such industrial development revenue bonds, (d) the form and tenor of such industrial development revenue bonds and (e) the terms, conditions and security for such industrial development revenue bonds; and providing for approval by resolution of the Harford County Council of the form and contents and authorizing the execution and delivery of the various documents necessary or appropriate to effectuate the aforementioned sale of industrial development revenue bonds, and any change in the maturity schedule of the bonds, the interest rates payable, redemption feature in the bonds, the amount of the industrial development revenue bonds to be

By the Council, _____

Introduced, read first time, ordered posted and public hearing scheduled

on: _____

at: _____

By Order: _____, Secretary

PUBLIC HEARING

Having been posted and notice of time and place
of hearing and title of Bill having been published according to the
Charter, a public hearing was held on _____
and concluded on _____.

_____, Secretary

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from
existing law. Underlining indicates language
added to Bill by amendment. Language lined
through indicates matter stricken out of Bill
by amendment.

AS AMENDED

COUNTY COUNCIL
OF
HARFORD COUNTY, MARYLAND

BILL NO. _____

Introduced by _____

Legislative Day No. _____ Date _____

sold (not exceeding \$800,000); authorizing the execution of the statement of election required by Section 103(b)(6)(D) of the Federal Internal Revenue Code of 1954, as amended; PROVIDING BY RESOLUTION OF THE HARFORD COUNTY COUNCIL FOR THE METHOD OF DETERMINING OR PROVIDING FOR INTEREST RATES, THE PRINCIPAL AMOUNT OF THE BONDS, MATURITY SCHEDULES, REDEMPTION FEATURES, DENOMINATION OF THE BONDS, AND SUCH AGREEMENTS AS MAY BE NECESSARY OR APPROPRIATE TO THE ISSUANCE OF THE BONDS OR TO PROVIDE SECURITY TO THE PURCHASERS OF THE BONDS; and generally providing for and determining various matters in connection with the authorization, security, sale and payment of such industrial development revenue bonds indicating that this Ordinance has no financial impact on Harford County, and further declaring this Ordinance to be an emergency measure.

By the Council, _____

Introduced, read first time, ordered posted and public hearing scheduled

on: _____

at: _____

By Order: _____, Secretary

PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on _____ and concluded on _____.

_____, Secretary

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [Brackets] indicate matter deleted from existing law. Underlining indicates language added to Bill by amendment. Language lined through indicates matter stricken out of Bill by amendment.

BILL NO. 80-34

AS AMENDED

COUNTY COUNCIL
OF
HARFORD COUNTY, MARYLAND
BILL NO. 80-34 (AS AMENDED)

Legislative Day No. 80-15 Date: May 27, 1980

BE IT ENACTED BY THE COUNTY COUNCIL OF HARFORD COUNTY, MARYLAND THAT Harford County, Maryland is hereby authorized and empowered to issue and sell its industrial development revenue bonds to be designated "Harford County, Maryland Industrial Development Revenue Bonds (Bel Air Convalescent Center, Inc. - BEL CENTER LIMITED PARTNERSHIP Project)" in the principal amount not exceeding Eight Hundred Thousand Dollars (\$800,000) pursuant to the provisions of Section 266A to 266I, inclusive, of Article 41 of the Annotated Code of Maryland (1971 Replacement Volume, 1979 Cumulative Supplement), as amended, in order to loan the proceeds thereof to ~~Bel-Air Convalescent-Center, Inc.~~ BEL CENTER LIMITED PARTNERSHIP for the sole and exclusive purpose of financing the acquisition by ~~Bel Air-Convalescent-Center, Inc.~~ BEL CENTER LIMITED PARTNERSHIP of an industrial building in Harford County, Maryland as provided in this Ordinance; making certain legislative findings, among others, concerning the public benefit and purpose of such industrial development revenue bonds; providing that such industrial development revenue bonds (a) shall be payable solely and only from (i) revenues derived from payments by ~~Bel-Air Convalescent-Center, Inc.~~ BEL CENTER LIMITED PARTNERSHIP to Harford County, Maryland (ii) any and all monies realized from the sale of collateral and (iii) any and all monies received under the guaranty agreements hereinafter mentioned and (b) shall not ever constitute, within the meaning of any constitutional or charter provision or otherwise, (i) an indebtedness

1 of Harford County, Maryland or of any other political sub-
2 division (ii) a charge against the general credit or taxing
3 powers of Harford County, Maryland; or (iii) a capital project
4 of Harford County, Maryland; authorizing the private
5 (negotiated) sale of such industrial development revenue bonds;
6 prescribing certain details pertaining to such industrial
7 development revenue bonds, including (without limitation) (a)
8 that the amount, dates and maturity schedule of such industrial
9 development revenue bonds, the interest rate to be paid on such
10 industrial development revenue bonds, the prepayment penalty
11 provisions, if any, relating to such industrial development
12 revenue bonds, the denomination of the bonds, the terms,
13 conditions and security for such industrial development revenue
14 bonds, including the authorization, execution and delivery of
15 the various documents necessary or appropriate to effectuate
16 the sale of the industrial development revenue bonds and the
17 execution of all documents necessary or appropriate in connection
18 with such industrial development revenue bonds shall be approved
19 by resolution of the Harford County Council, and (b) the form
20 and tenor of such industrial development revenue bonds; author-
21 izing the execution of the statement of election required by
22 Section 103(b)(6)(D) of the Federal Internal Revenue Code of
23 1954 as amended; AND PROVIDING THE METHOD FOR DETERMINATION BY
24 RESOLUTION OF THE COUNTY COUNCIL OF HARFORD COUNTY, MARYLAND,
25 OF INTEREST RATES, MATURITY SCHEDULES, REDEMPTION FEATURES, THE
26 PRINCIPAL AMOUNT OF THE BONDS, DENOMINATION OF THE BONDS,
27 AUTHORIZATION OF AGREEMENTS NECESSARY OR APPROPRIATE TO THE
28 ISSUANCE OF THE BONDS OR PROVIDING SECURITY FOR THE PURCHASERS
29 OF THE BONDS; and generally providing for and determining
30 various matters in connection with the authorization, issuance,
31 security, sale and payment of such industrial development revenue
32 bonds; and further declaring this Ordinance to be an emergency

1 measure.

2 RECITALS

3 Sections 266A to 266I, inclusive, of Article 41 of
4 the Annotated Code of Maryland (1971 Replacement Volume 1979
5 Cumulative Supplement) as amended, (the "Act") empowers all
6 the Counties and Municipalities of the State of Maryland to
7 issue revenue bonds and to loan the proceeds of sale of such
8 revenue bonds to an industrial concern to finance the acquisition
9 (as defined in the Act) by such industrial concern of industrial
10 buildings (as defined in the Act). The Act declares it to be
11 the legislative purpose to relieve conditions of unemployment
12 in the State, to encourage the increase of industry and a
13 balanced economy in the State, to assist in the retention of
14 existing industry in the State through the control, reduction
15 or abatement of pollution of the environment (where the proceeds
16 of bonds are used for that purpose), to promote economic
17 development, to promote natural resources and, in this manner,
18 to promote the health, welfare and safety of the residents of
19 each of the Counties and municipalities of the State of Mary-
20 land.

21 Harford County, Maryland (the "County") has determined
22 to issue and sell its Harford County, Maryland Industrial
23 Development Revenue Bonds (Bel Air Convalescent Center, Inc. -
24 BEL CENTER LIMITED PARTNERSHIP Project), in an amount not
25 exceeding Eight Hundred Thousand Dollars (\$800,000) (the "Bonds")
26 and to loan ("Loan") the proceeds of the Bonds to ~~Bel-Air~~
27 ~~Convalescent-Center, Inc., a Maryland corporation~~ BEL CENTER
28 LIMITED PARTNERSHIP, A MARYLAND LIMITED PARTNERSHIP, (the
29 "Company"), an industrial concern as mentioned in the Act, on
30 the terms and conditions set forth in agreements to be entered
31 into by and between the County, the Company and others (the
32 "Agreements"), as provided by this Ordinance and in resolutions

1 to be passed from time to time by the County Council of Harford
2 County, Maryland, in order to finance the acquisition (within
3 the meaning of the Act) by the Company of a certain industrial
4 building (within the meaning of the Act) in Harford County,
5 Maryland (the "Industrial Building"), and thereby relieve
6 conditions of unemployment in the State of Maryland and in
7 Harford County, Maryland and thus encourage economic development
8 and protect the health, welfare and safety of the citizens of
9 the State of Maryland and Harford County, Maryland.

10 The Bonds will be sold at private (negotiated) sale
11 to FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION OF PHILADELPHIA
12 (the "Bank") or any other purchaser approved by resolution of
13 the Harford County Council.

14 The Company will execute and deliver or cause to be
15 executed and delivered (a) a deed of trust ("Deed of Trust")
16 conveying the Industrial Building as security for the Loan
17 (b) a Guaranty Agreement pursuant to which the Company will
18 fully and unconditionally guarantee payment of principal and
19 interest on the Bonds and (c) such other Agreements as may be
20 necessary or appropriate to accomplish the foregoing and/or
21 to provide security for the purchasers of the Bonds and to
22 indicate that the issuance and sale of the Bonds and the
23 execution and delivery of the Agreements are to be without any
24 liability of any kind on the part of the County.

25 ~~In order to insure that the proceeds of the Bonds and~~
26 ~~the Loan will be used for the purposes set forth in the Act,~~
27 ~~the Company will enter into a trust agreement with certain~~
28 ~~individual trustees (the "Trust Agreement") pursuant to which~~
29 ~~the proceeds of the Bonds will be deposited with such trustees~~
30 ~~and held, invested and disbursed by such trustees as therein~~
31 ~~provided.~~
32

1 The County received a letter of intent from Bel Air
2 Convalescent Center, Inc. dated February 6, 1980 (the "Letter
3 of Intent"), requesting the County participate in the
4 financing of the acquisition of the Industrial Building in an
5 amount not to exceed Eight Hundred Thousand Dollars (\$800,000).
6 The Letter of Intent was approved by the County Council of
7 Harford County, Maryland (the "County Council") by resolution
8 number 22-80, adopted on April 8, 1980 and accepted by the
9 County Executive and the President of the County Council on
10 April 8, 1980, subject to the adoption of this Ordinance.
11 Subsequently, the County received an amendatory letter to the
12 Letter of Intent, dated April 15, 1980 (the "First Amendatory
13 Letter") requesting the County to amend the Letter of Intent to
14 evidence the binding commitment of the County to issue the Bonds
15 for the purposes described in the Letter of Intent. The amend-
16 ment of the Letter of Intent by the First Amendatory Letter was
17 approved by the County Council by Resolution 25-80 adopted on
18 April 15, 1980 and accepted by the County Executive and the
19 President of the County Council on April 15, 1980, subject to
20 the adoption of this Ordinance. SUBSEQUENTLY THE COUNTY RECEIVED
21 ANOTHER AMENDATORY LETTER TO THE LETTER OF INTENT DATED JUNE 4 ,
22 1980 (THE 'SECOND AMENDATORY LETTER') REQUESTING THE COUNTY TO
23 AMEND THE LETTER OF INTENT TO INDICATE THAT THE INDUSTRIAL
24 BUILDING WILL BE ACQUIRED BY BEL CENTER LIMITED PARTNERSHIP, A
25 MARYLAND LIMITED PARTNERSHIP, AND LEASED TO BEL AIR CONVALESCENT
26 CENTER, INC., A MARYLAND CORPORATION. THE SECOND AMENDMENT OF
27 THE LETTER OF INTENT BY THE SECOND AMENDATORY LETTER WAS APPROVED
28 BY THE COUNTY COUNCIL BY RESOLUTION 33-80 ADOPTED ON JUNE 10,
29 1980 AND ACCEPTED BY THE COUNTY EXECUTIVE AND THE PRESIDENT OF
30 THE COUNTY COUNCIL ON JUNE 10, 1980, SUBJECT TO THE ADOPTION OF
31 THIS ORDINANCE.
32

1 NOW THEREFORE, in accordance with the terms and
2 provisions of the Act and the Charter of Harford County,
3 Maryland:

4 Section 1. BE IT ENACTED BY THE COUNTY COUNCIL OF
5 HARFORD COUNTY, MARYLAND, that acting pursuant to the Act,
6 it is hereby found and determined as follows:

7 1. The issuance and sale of the Bonds by the County
8 in order to lend the proceeds thereof to the Company pursuant
9 to the Act for the sole and exclusive purpose of financing the
10 acquisition of the Industrial Building (within the meaning
11 of the Act) will facilitate and expedite the acquisition of
12 the Industrial Building by the Company.

13 2. The acquisition of the Industrial Building by
14 the Company and the financing of the Industrial Building as
15 provided in this Ordinance will promote the declared legislative
16 purposes of the Act by (a) sustaining jobs and employment,
17 thus relieving conditions of unemployment in the State of
18 Maryland and in Harford County, Maryland; (b) encouraging
19 the increase of industry and a balanced economy in the State
20 of Maryland and in Harford County, Maryland; (c) assisting in
21 the retention of existing industry in the State of Maryland
22 and in Harford County, Maryland; (d) promoting economic
23 development; and (e) promoting the health, welfare and safety
24 of the residents of Harford County, Maryland and in the State
25 of Maryland.

26 3. It is in the best interests of the citizens of
27 the County to finance the acquisition of the Industrial Building
28 by a loan to the Company.

29 4. Neither the Bonds nor the interest thereon, will
30 constitute (a) a general obligation of the County or (b) a
31 charge against or pledge of the general credit or taxing powers
32 of the County within the meaning of the Constitution of Maryland

1 or any other constitutional, statutory or charter provision or
2 limitation, and neither shall ever constitute or give rise to
3 any pecuniary liability on the part of the County. The prin-
4 cipal of and interest on the Bonds shall be payable from and
5 secured by (a) an assignment of (i) the revenues realized and
6 the collateral pledged, under the Loan Agreement, (ii) the
7 County's right, title and interest in and to, and remedies under
8 the Deed of Trust, (iii) the County's right, title and interest
9 in and to and remedies under certain Guaranty Agreements and
10 (b) such other Agreements as may be necessary or appropriate.
11 The principal amount of the Loan and the repayments to be made
12 by the Company pursuant to the Loan Agreement authorized will
13 be paid directly to the Bank to be held and disbursed as agent
14 for the holders of the Bonds. No such monies will be comingled
15 with the County's funds or will be subject to the absolute con-
16 trol of the County, but only to such limited supervision and
17 checks as are deemed necessary or desirable by the County to
18 insure that the proceeds of the Bonds are used to accomplish the
19 public purposes of the Act in this Ordinance. The transactions
20 authorized hereby do not constitute the acquisition of property
21 for public use or the purchase of equipment for public use.
22 The public purposes expressed in the Act are to be achieved
23 by facilitating the acquisition of the Industrial Building
24 by the Company.

25 5. The security for the Bonds shall be solely and
26 exclusively (a) the absolute, irrevocable and unconditional
27 obligation of the Company to make the payments required by the
28 Loan Agreement (b) monies realized from any and all collateral
29 (including the Industrial Building) pledged as security for
30 the Loan and (c) the guaranty by the Company of the payment
31 of the principal and interest on the Bond pursuant to the
32 Guaranty Agreement.

1 6. None of the receipts and revenues of the County
2 from the Bonds or the Agreements shall be set aside as a
3 depreciation account (mentioned in the Act).

4 7. The best interests of the County will be served
5 by selling the Bonds to FIRST FEDERAL SAVINGS AND LOAN ASSOCI-
6 ATION OF PHILADELPHIA or other purchaser approved by resolution
7 of the Harford County Council at private (negotiated) sale,
8 as authorized by the Act, upon the terms and conditions approved
9 by the County as set forth in this Ordinance.

10 Section 2. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL
11 OF HARFORD COUNTY, MARYLAND, that, subject to the provisions
12 of this Ordinance, the County is authorized and empowered
13 pursuant to the Act, to issue and sell its Harford County,
14 Maryland Industrial Development Revenue Bonds (Bel Air Conva-
15 lescent Center, Inc. - BEL CENTER LIMITED PARTNERSHIP Project)
16 in a principal amount not to exceed Eight Hundred Thousand
17 Dollars (\$800,000), such Bonds to be solely and exclusively
18 payable from revenue derived by the County from payments on
19 the Loan by the Company, and secured as provided herein. The
20 Bonds shall be designated "Harford County, Maryland Industrial
21 Development Revenue Bonds (Bel Air Convalescent Center, Inc. -
22 BEL CENTER LIMITED PARTNERSHIP Project)", shall bear interest
23 and be payable as provided in subject resolutions approved
24 by the Harford County Council, and shall be in substantially
25 the following form, with such changes as may be approved by
26 resolutions of the Harford County Council.

UNITED STATES OF AMERICASTATE OF MARYLANDHARFORD COUNTY, MARYLANDINDUSTRIAL DEVELOPMENT REVENUE BONDBEL AIR CONVALESCENT CENTER, INC. -BEL CENTER LIMITED PARTNERSHIP PROJECT

1980 \$800,000

For value received, Harford County, Maryland (the "Issuer"), a body politic and corporate and a political subdivision of the State of Maryland, hereby promises to pay to bearer, or if this bond be registered as herein provided, then to the registered owner hereof, solely from the special fund hereinafter discribed and from no other source, on or before the day of , 20 , ("Maturity"), as provided below, the principal sum of Dollars (\$) and to pay solely from said special fund, interest thereon from date hereof at the rate of per annum, first payable , 1980, and on each and thereafter until maturity, with principal being first payable , 1980, and on each and thereafter until maturity, in an amount which when added to the interest due and payable on each such date shall equal Dollars (\$), with the unpaid principal, if any, due and payable on maturity. Both the principal hereof and the interest hereon are payable in lawful money of the United States of America at the principal office in

This bond is the duly authorized issue of the issuer designated as "Harford County, Maryland Industrial Development Revenue Bond (Bel Air Convalescent Center, Inc. - BEL CENTER LIMITED PARTNERSHIP Project)." This bond is hereinafter referred to as the "Bond" or "Bond".

1 This bond is issued pursuant to the authority of
2 Sections 266A to 266I, inclusive, of Article 41 of the Annotated
3 Code of Maryland (1971 Rep. Vol. 1979 Cum. Supp.), as amended
4 (the "Act"), and pursuant to and under the authority of Council
5 Bill No. enacted by the County Council of Harford County
6 on , 1980, which Council Bill No. became
7 effective on , 1980 (the "Ordinance") and certain
8 resolutions approved by the County Council of Harford County
9 ("Resolutions"). Reference is hereby made to the Ordinance
10 and Resolutions for the provisions, among others, with respect
11 to (A) the nature and extent of the security for this bond,
12 (B) the rights, duties and obligations of the County (C) the
13 terms upon which this Bond is issued and secured and (D) the
14 modification or amendment of any of the foregoing or of agree-
15 ments executed and delivered in connection with the Bel Air
16 Convalescent Center, Inc. Project; and by the acceptance of
17 this Bond, the holder hereof assents to all of the provisions
18 of the ordinance and resolutions and agrees to be bound thereby.

19 This Bond is issued for the purpose of financing, in
20 whole or in part, the cost of the acquisition (as defined in
21 the Act) by ~~Bel-Air-Convalescent-Center, Inc.~~ BEL CENTER LIMITED
22 PARTNERSHIP of an Industrial Building (as defined in the Act)
23 in Harford County, Maryland (the "Industrial Building"), and
24 paying expenses incidental thereto so as to help relieve
25 conditions of unemployment in the State of Maryland and in
26 Harford County, and to help encourage the increase of industry
27 and achieve a balanced economy in the State of Maryland and in
28 Harford County, to assist in the retention of industry existing
29 in the State of Maryland, to promote economic development, and
30 in this manner to promote the health, welfare and safety of the
31 residents of the State of Maryland and of Harford County.

32 This Bond and the redemption premium (if any) and

1 interest hereon shall not be deemed to constitute a debt or
2 a general obligation or a pledge of the faith and credit of
3 the State of Maryland or of Harford County, Maryland, and
4 does not directly, indirectly or contingently obligate said
5 State or County to levy or to pledge any form of taxation
6 whatever for the payment of such principal, redemption premium
7 (if any) and interest. This Bond is payable solely from revenues
8 derived from payments by ~~Bel-Air-Convalescent-Center, Inc.~~ - BEL
9 CENTER LIMITED PARTNERSHIP to the County under a Loan Agreement
10 of even date herewith between the County and the Company ("Loan
11 Agreement"), any and all monies realized from the sale of
12 collateral pledged as security for such loan and all monies
13 received under any guaranty agreements. Neither this Bond nor
14 the interest payable hereon shall ever constitute an indebtedness
15 or a charge against the general credit or taxing powers of the
16 County within the meaning of any constitutional provision or
17 statutory or charter limitation and neither shall ever constitute
18 or give rise to any pecuniary liability of the County. No
19 recourse shall be had for the payment of the principal of, or
20 the redemption premium (if any) and the interest on, this Bond
21 against any officer or member of the issuer.

22 Pursuant to the Loan Agreement, payments sufficient
23 for the prompt payment when due of the principal of and
24 interest on this Bond are to be paid by the Company directly
25 to the Bank, to be held by the Bank, as agent for the holder
26 of this Bond, in a separate and special fund created by the
27 Ordinance, to be used by the Bank, as agent for the holder
28 of the Bond, for the payment of the principal of and interest
29 on this Bond.

30 The County may under certain circumstances prescribed
31 in Section 6 of the Ordinance be required to pay (but only out
32 of amounts made available to the County by the Company or others

for such purposes) all or part of the principal of this Bond plus accrued and unpaid interest before maturity upon the terms provided in such Section 6 of the Ordinance. In the event of partial prepayment, the holder hereof shall surrender this Bond to the Bond Registrar (hereinafter referred to), for notation hereon that this Bond, to the extent of the amount prepaid, has been partially prepaid. In the event of a partial prepayment of this Bond, the sums applied to the prepayment shall be applied to the prepayment of the principal hereof in the inverse order of the monthly installment payment dates. Reference is hereby made to Section 6 of the Ordinance for the provisions relating to the prepayment of this Bond, and, by the acceptance of this Bond, the holder hereof assents to such prepayment provisions and agrees to be bound thereby.

Notice of any such prepayment shall be given at least two (2) banking days prior to the prepayment date by mailing and by telegraphing to the registered owner of this Bond a notice fixing such prepayment date, the amount of principal to be prepaid and the interest to be paid through the prepayment date. The notice required herein to be given may be waived by the registered owner of this Bond.

All payments hereunder shall be made in immediately available funds at the office of FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION OF PHILADELPHIA. If any principal or interest payable hereon falls due on any day other than a banking day at the Bank, then such payment date shall be extended to the next succeeding full banking day.

In the event any installments of the principal and interest, or payment of interest, as hereinabove provided, is not paid when due and payable, such installment of principal and interest, or payment of interest, shall bear interest at the rate of _____ per annum

1 until paid.

2 This Bond shall be registered as to both principal and
3 interest. The Bank shall serve as Bond Registrar, and shall
4 keep at its principal office ~~if~~ IN PHILADELPHIA, PENNSYLVANIA,
5 for so long as this Bond remains outstanding, books for the
6 registration and transfer hereof. When used herein, the term
7 "holder of this Bond" shall mean the registered owner from time
8 to time of this Bond. The initial holder of this Bond shall be
9 the Bank.

10 This Bond shall be transferable only upon the books
11 maintained by the Bond Registrar by the registered owner hereof
12 in person or by his attorney duly authorized in writing, upon
13 surrender hereof together with a written instrument of transfer
14 satisfactory to the Bond Registrar duly executed by the regis-
15 tered owner or his duly authorized attorney. This Bond is a
16 "security" within the meaning of Article 8 of the Maryland
17 Uniform Commercial Code, and, notwithstanding the provisions
18 herein contained for registration, is, and shall remain,
19 negotiable. The laws of the State of Maryland shall govern
20 the construction of this Bond.

21 The County, the Bank, as agent for the holder of this
22 Bond, and the Bond Registrar may deem and treat the person in
23 whose name this Bond shall be registered as the absolute
24 owner hereof, whether this Bond shall be overdue or not, for
25 the purpose of receiving payment of, or on account of, the
26 principal of and interest hereon and for all purposes, and
27 all such payments so made to such registered owner or upon
28 his order shall be valid and effectual to satisfy and discharge
29 the liability upon this Bond to the extent of the sum or sums
30 so paid, and neither the County nor the Bank, as agent for
31 the holder of this Bond, nor the Bond Registrar shall be
32 affected by any notice to the contrary.

1 Within 60 days after receipt of a written request from
2 the holder hereof (or within such longer period as may be
3 reasonably required for the authorization, issuance and
4 preparation of bonds) the County will take action necessary
5 to cause serial bonds to be duly authorized and issued, to
6 the extent permitted by applicable laws, in order that this
7 Bond may be exchanged for a series of serial bonds. Any serial
8 bonds so authorized and issued shall be substantially in the
9 same form as this Bond, with only such changes in amounts,
10 dates and other details as may be necessary. All such serial
11 bonds shall (a) bear interest at the same rate, and (b) be
12 ratably and equally secured by, and entitled to the benefits
13 of, the Ordinance and the security for the repayment of the
14 Bond provided for therein. Any expenses incurred by the
15 County in authorizing and issuing any such serial bonds shall
16 be paid by the Company.

17 IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all
18 conditions, acts and things required by the Constitution and
19 laws of the State of Maryland and the Charter of Harford County,
20 Maryland, to exist, to have happened and to have been performed
21 precedent to and in the execution and delivery of this Bond
22 exist, have happened, and have been performed, and that the
23 issuance of this Bond, together with all obligations of the
24 County, does not exceed or violate any constitutional or
25 statutory debt limitations.

26 IN WITNESS WHEREOF, HARFORD COUNTY, MARYLAND, has
27 caused this Bond to be signed by the manual signature of its
28 County Executive, and has also caused its corporate seal to
29 be hereunto affixed and attested by the manual signatures
30 of its Director of Administration, all as of the day of
31
32

1 ATTEST: HARFORD COUNTY, MARYLAND

2
3 By _____
4 Director of Administration County Executive

5 (SEAL)

6 (A Prepayment Record will be attached to the Bond.)

7 Section 4. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL
8 OF HARFORD COUNTY, MARYLAND, That in consideration of the
9 purchase and acceptance of the Bonds by those who shall hold
10 the same from time to time, (i) this Ordinance shall be deemed
11 to be and shall constitute a contract between the County and
12 the holder from time to time of the Bonds; and (ii) the assign-
13 ments described herein and the covenants to be performed by
14 or on behalf of the County shall be for the benefit, protection
15 and security of the holder of the Bonds.

16 Section 5. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL
17 OF HARFORD COUNTY, MARYLAND, That simultaneously with the
18 issuance and sale of the Bonds, the County, will, pursuant
19 to the terms of the Agreements and the Act, cause the proceeds
20 of sale thereof to be applied to the acquisition of the Indus-
21 trial Building in accordance with the provisions of the Act,
22 this Ordinance and the Resolutions.

23 The proceeds of the Bonds shall be advanced as provided
24 in the Agreements, and, in order to insure that such proceeds
25 will be used for the purposes set forth in the Act, the County
26 shall deposit such proceeds with the Trustees under the Deed
27 of Trust, who will hold, invest and disburse such proceeds as
28 herein and in the Agreements provided.

29 Section 6. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL
30 OF HARFORD COUNTY, MARYLAND, That the County covenants that
31 it will promptly pay the principal of and interest on the Bonds,
32 and premium, if any, at the place, on the dates and in the

1 manner provided in this Ordinance and in the Bonds according
2 to their true intent and meaning; provided that the Bonds,
3 together with the interest thereon, shall be the limited
4 obligation of the County payable solely from the monies derived
5 from (a) the Loan Agreement and the sale of any collateral
6 pledged thereunder, (b) the guaranty agreements and, (c) all
7 other security referred to in this Ordinance, and shall be
8 a valid claim of the holder thereof only against such monies,
9 which monies shall be used for no other purpose than to pay the
10 principal of and interest on the Bonds (except as may be
11 otherwise expressly authorized in this Ordinance). Neither
12 the Bonds nor the interest payable thereon shall ever constitute
13 an indebtedness or a charge against the general credit or taxing
14 powers of the County within the meaning of any constitutional
15 or charter provision or statutory limitation and neither shall
16 ever constitute or give rise to any pecuniary liability of the
17 County.

18 Section 7. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL
19 OF HARFORD COUNTY, MARYLAND, That payment of the Bonds and the
20 interest thereon shall be made to the registered owner thereof
21 by the Bank as agent for the holder of the Bonds. All payments
22 of principal, interest and other charges required by this
23 Ordinance or the Bonds shall be made at the office of the Bank,
24 IN PHILADELPHIA, PENNSYLVANIA, in lawful
25 money of the United States of America, in immediately available
26 funds. Interest on the Bonds shall be calculated on the basis
27 of a 360-day year factor to be applied to actual days elapsed.
28 If any principal and/or interest payment on the Bonds falls
29 due on a Saturday, Sunday or public holiday at the place of
30 payment thereof, then such date shall be extended to the next
31 succeeding full banking day at such place.

32 When the principal of and interest on the Bonds shall

1 have been fully paid, the Bonds shall forthwith be surrendered
2 to the Bond Registrar for cancellation.

3 Section 8. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL
4 OF HARFORD COUNTY, MARYLAND, That the Bonds shall be registered
5 as to both principal and interest. The Bank shall serve
6 as Bond Registrar, and it shall keep at its principal office,
7 for so long as the Bonds remain outstanding, books for the
8 registration and transfer of the Bonds.

9 The Bonds shall be transferable only upon the books
10 maintained by the Bond Registrar by the registered owner thereof
11 in person or by his attorney duly authorized in writing, upon
12 surrender thereof together with a written instrument of
13 transfer satisfactory to the Bond Registrar duly executed by
14 the registered owner or his duly authorized attorney.

15 The County, the Bank as agent for the holder of the
16 Bonds and the Bond Registrar may deem and treat the person
17 in whose name the Bonds shall be registered as the absolute
18 owner of the Bonds, whether the Bonds shall be overdue or not,
19 for the purpose of receiving payment of, or on account of,
20 the principal of and interest on the Bonds and for all other
21 purposes, and all such payments so made to such registered
22 owner or upon his order shall be valid and effectual to satisfy
23 and discharge the liability upon the Bonds to the extent of
24 the sum or sums so paid, and neither the County nor the Bank
25 nor the Bond Registrar shall be affected by any notice to
26 the contrary.

27 The Bonds shall be in the denomination of Five Thousand
28 Dollars (\$5,000) each or in such other denomination as may be
29 approved in the Resolutions.

30 Section 9. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL
31 OF HARFORD COUNTY, MARYLAND, That the County intends to assist
32 in the financing of the Industrial Building for the Company

1 in an amount not to exceed Eight Hundred Thousand Dollars
2 (\$800,000) as described generally in the Letter of Intent,
3 by authorizing the issuance and sale of the Bonds pursuant
4 to the Act, and by using the proceeds thereof for the purposes
5 described in this Ordinance and in the agreements for financing
6 of the acquisition of an Industrial Building, including the
7 Loan Agreement and other documents as may be approved by
8 Resolutions adopted by the Harford County Council, the Bond
9 to be secured solely as hereinabove provided in this Ordinance.
10 This Ordinance is adopted as a material inducement to the
11 Company to acquire and construct the Industrial Building in
12 Harford County, Maryland.

13 Section 10. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL
14 OF HARFORD COUNTY, MARYLAND That the execution and delivery
15 of the Bonds, the agreements, and all other documents necessary
16 to evidence and secure the Bonds and the Agreements are hereby
17 authorized. The Bonds, and other agreements shall be executed
18 on behalf of the County by the County Executive of the County
19 by his signature, and the corporate seal of the County shall
20 be impressed or otherwise reproduced thereon and attested by
21 the Director of Administration of the County by his manual
22 signature. In case any officer whose signature shall appear
23 on the Bonds or any of the aforesaid documents shall cease to
24 be such officer before the delivery of the Bonds or any of
25 the other documents aforesaid, such signature shall neverthe-
26 less be valid and sufficient for all purposes, the same as
27 if such officer had remained in office until delivery. The
28 County Executive, the Director of Administration and other
29 officials of the County shall do all such acts and things and
30 execute such supporting documents and certificates as may be
31 necessary to carry out and comply with the provisions hereof,
32

1 including, but not limited to, the statement of election
2 required by Section 103(b)(6)(D) of the federal Internal
3 Revenue Code of 1954, as amended. Before the execution and
4 delivery of the Bonds by the County Executive to the Bank
5 as agent for the holder of the Bonds, the County shall have
6 received a certificate signed by an officer of the Bank and
7 the Company and satisfactory to counsel for the County stating
8 that (a) the Bank and the Company have purchased the Bond as
9 a commercial investment and not with a view to redistribute
10 the same to the general public, and (b) the Bank has not
11 relied upon the County or its agents for or received from
12 the County or its agents any information concerning the
13 financial condition or other information of Bel Air Convalescent
14 Center, Inc.

15 Section 11. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL
16 OF HARFORD COUNTY, MARYLAND, That the provisions of this
17 Ordinance are severable, and if any provision, sentence, clause,
18 section or part thereof is held illegal, invalid or uncon-
19 stitutional or inapplicable to any person or circumstances,
20 such illegality, invalidity or unconstitutionality, or inap-
21 plicability shall not affect or impair any of the remaining
22 provisions, sentences, clauses, sections, or parts of this
23 Ordinance or their application to other persons or circum-
24 stances. It is hereby declared to be the legislative intent
25 that this Ordinance would have been passed if such illegal,
26 invalid or unconstitutional provisions, sentence, clause,
27 section or part had not been included herein, as if the
28 person or circumstances to which this Ordinance or any part
29 hereof are inapplicable had been specifically exempted here-
30 from.

31 Section 12. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL
32 OF HARFORD COUNTY, MARYLAND, That the County Council of

1 Harford County, Maryland, by resolution may change the amount
2 of Bonds to be sold but not in excess of Eight Hundred Thousand
3 Dollars (\$800,000), change OR PROVIDE FOR the maturity schedule
4 of the Bonds, the interest payable on the Bonds, the date of
5 the Bonds, the dates of payment of interest and principal on
6 the Bonds, provide for prepayment provisions with respect to
7 payment of the Bonds prior to their maturity and provide for the
8 execution of any and all agreements necessary or appropriate to
9 accomplish the issuance and sale of the Bonds, in the manner
10 herein described or in any other manner consistent with
11 Sections 266A to 266I, inclusive, of Article 41 of the Annotated
12 Code of Maryland (1971 Replacement Volume, 1979 Cumulative Sup-
13 plement), so long as the County has no pecuniary liability with
14 respect to the payment of principal and interest on the Bonds.

15 Section 13. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL
16 OF HARFORD COUNTY, MARYLAND, that all expenses of the County,
17 including the expenses of private attorneys employed by the
18 County in connection with the issuance and sale of the Bonds
19 shall be paid by Bel Air Convalescent Center, Inc.

20 Section 14. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL
21 OF HARFORD COUNTY, MARYLAND, that the Industrial Building and
22 the sale of the Bonds therefor shall not constitute a capital
23 project within the meaning of the Harford County Charter or
24 Code.

25 Section 15. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL
26 OF HARFORD COUNTY, MARYLAND, that the Company, shall pay or make
27 arrangements for the payment of any taxes, assessments or
28 charges which may be lawfully levied, assessed or charged
29 against the Industrial Building and the land underlying the
30 Industrial Building, or, in the event such charge may not be
31 made due to ownership of legal title by the County, the Company,
32 agrees to make payments to or make arrangements for the payment

1 to the County of amounts equal to taxes which the County would
2 otherwise have the right to assess.

3 Section 16. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL
4 OF HARFORD COUNTY, MARYLAND, That an appropriate indemnity,
5 defense and hold harmless agreement shall be executed by the
6 Company, in form and substance satisfactory to counsel for the
7 County, as provided in the Letter of Intent prior to the
8 issuance of the Bonds.

9 Section 17. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL
10 OF HARFORD COUNTY, MARYLAND, That the Bonds, when issued, shall
11 be executed in the name of Harford County, Maryland, by the
12 facsimile signature of the County Executive of Harford County,
13 Maryland, and a facsimile of the corporate seal of the County
14 shall be imprinted on each of the Bonds attested by the manual
15 signature of the Director of Administration of Harford County.
16 The facsimiles of said signature and said seal shall be engraved
17 printed or lithographed on each of the Bonds in accordance with,
18 and pursuant to the authority of Section 13-18, inclusive, of
19 Article 31 of the Annotated Code of Maryland (1957 Edition and
20 1970 Supplement).

21 Section 18. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL
22 OF HARFORD COUNTY, MARYLAND, That this Ordinance has no
23 financial impact on Harford County, Maryland, and, therefore,
24 there is no requirement for a fiscal impact note.

25 Section 19. BE IT FURTHER ENACTED That this Ordinance
26 is declared to be an emergency measure affecting the public
27 health, safety or welfare, as found and determined in Section 1
28 of this Ordinance, and shall take effect on the date it becomes
29 law.

30 EFFECTIVE: July 10, 1980

31 Rec'd & Recorded 19 at M.
32 Liber Filed and examined per
H. Douglas Chilcoat, Clerk, Harford Co.

BY THE COUNCIL

Read the third time.

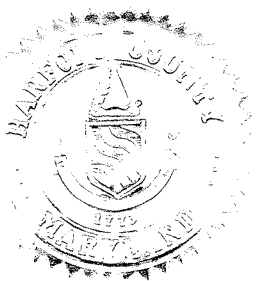
Passed LSD 80-20 (July 8, 1980) (with amendments)

XXXXXXXXXXXXXXXXXX

By order

Angela Markowski, Secretary

Sealed with the County Seal and presented to the County Executive
for his approval this 9th day of July, 1980
at 3:00 o'clock P.M.



Angela Markowski, Secretary

BY THE EXECUTIVE

APPROVED:

Thomas Branger
County Executive
Date 7/10/80

BY THE COUNCIL

This Bill, having been approved by the Executive
and returned to the Council, becomes law on July 10, 1980.

Angela Markowski, Secretary

EFFECTIVE DATE: July 10, 1980

Rec'd & Recorded Aug 26 1980 at 10:30 A.M.
HOC Liber 6 Folio 53 & examined per
H. Douglas Chilcoat, Clerk, Harford Co.